MEMORANDUM

TO: Area Finance Officer

FROM: Tami Bidle, Associate Controller

DATE: Revised June 22, 2020

SUBJECT: Accounting for Compensated Balances   (Area)

Reporting the University's financial position at year end requires accurate information on the value of unused leave. Report **all leave** for **all employees** who have Home Departments within your Area. Work closely with other Areas to avoid confusion over multiple Area funded positions.

In order to meet the reporting time lines with the Office of Financial Management at the States requirement it is imperative that you calculate and **report** the value of all employees' leave balances as of June 30, 2020 (please *include* any leave the employee would have accrued by the end of June), to the Business Services/Controller's Office **by July 16, 2020.**   This information will be included in WSU's and the State's *Annual Financial Reports.*

The value of employee leave balances should be calculated based upon the hours the University is liable, including additional responsibilities (ADR) if the ADR is for a full year, and the rate of full-time pay as of June 30, 2020, as follows:

VALUE OF UNUSED ANNUAL LEAVE AND COMPENSATORY TIME

This calculation should be done for each employee with an unused annual leave and compensatory time balance at June 30, 2020.

Full-Time Monthly Salary X Annual Leave Hours X .0063 = Value of Annual Leave
Full-Time Monthly Salary X Comp. Time Hours X .0063 = Value of Compensatory Time

VALUE OF UNUSED SICK LEAVE

This calculation should be done for each employee with an unused sick leave balance at June 30, 2020.

Full-Time Monthly Salary X Sick Leave Hours X .005747 = Value of Sick Leave

This information should be **reported by subfund** and **by program.   Do not report by subprogram**. **Please Note:** An automated spreadsheet to help with the preparation of the information will be electronically distributed to the Area Finance Officers.

Split funding positions:
For split funding positions, make sure you are separating out the leave values based on the funding. See example on spreadsheet for Jane Doe. Jane Doe has split funding for her position which is split by 80%/20%. Her FTE would be where this split would need to be entered .8 on one line and .2 on the next. She has 10 hours of Annual leave. The FTE split will calculate the split in the amounts. This will be the same for Sick Leave and Comp Time.

PLEASE NOTE:

The spread sheet has formulas to calculate leave already imbedded. Please make sure you do not change anything on this spread sheet. That includes not changing any of the formatting including the size of the columns. This will allow both the Controller's office and the Modernization office the ability to upload the data you send. You can copy and paste into any cell that does not have a formula in it.   There is an instruction tab in the spread sheet to give guidelines as to what is needed and who to contract with questions.

You should retain the documentation supporting these calculations for at least three years. This information must also be available for review by our auditors. Your assistance and cooperation in obtaining this information is appreciated. If you should have any **questions**, please **call Tami Bidle at 335-1202**.