

***Accruals,  
Allocation  
Adjustments and  
Reserve Accounts***

***Rick Grunewald  
WSU Budget Office  
March 2011***

# Training Objectives

- Define and discuss permanent and temporary positions
- Define “Accrual”
- Discuss accrual scenarios from the WSU Accruals Policy
- Recognize and describe the uses of the different reserve and control account budgets
- Understand reserve account structure
- Explain the effect of temporary position “No allocation” accruals to the departmental budget statement
- Define “Allocation Adjustment”
- Explain the “mid-step” allocation adjustment policy
- Cite which adjustments post to Balances and which don’t
- Calculate differences in Allocation and Base adjustments for mid-year position changes
- Identify how to retrieve accrual and allocation data from DEPPS, Balances and the Financial Data Warehouse

## Permanent Positions

Carry a permanent allocation of funds on one or more account(s). Salaries are expended on these accounts from the permanent dollars on that position. If salary expenditures are not made, the allocation for that time period accrues to the area reserve, or a central reserve, according to the accruals policy.

## Temporary Positions

No permanent allocations are made to these positions. Expenditures post to the operating account and draw allocations from the area reserve (state-funded).

## Accrual

An accrual is the difference between the allocation and the expense on a position.

## Accrual Scenario #1

- Faculty member goes on professional leave for academic year.
- Paid at 75%
- Position is allocated at 100%

What are the accruals and where do they go?

EXP < ALLOC @FUND – Scenario #1

DEPPS System								
Accrual Detail								
Position	033352		Accruals as of:				07/01/07	
Name	Cougar, Ima							
Pay Earn	Retro	Alloc	Expenses	Accrual	Adjusted	Adjusted		
Cyc Type	Rsn	Period	Dollars	Dollars	Dollars	From	To	
082	REG	07	5,000.00	3,750.00	1,250.00	5227-0001	9929-0607	*
091	REG	07	5,000.00	3,750.00	1,250.00	5227-0001	9929-0607	*
092	REG	07	5,000.00	3,750.00	1,250.00	5227-0001	9929-0607	*
101	REG	07	5,000.00	3,750.00	1,250.00	5227-0001	9929-0607	*

## Accrual Scenario #2

- Temporary Position # 101111 paying faculty member at \$3,000 per pay period

What are the accruals and where do they go?

NO ALLOC – (TEMP POSITION) – Scenario #2

DEPPS System							
Accrual Detail							
<b>Position</b>	101111			<b>Accruals as of:</b>		07/01/07	
<b>Name</b>	Cougar, Ima						
<b>Pay Earn</b>	<b>Retro</b>	<b>Alloc</b>	<b>Expenses</b>	<b>Accrual</b>	<b>Adjusted</b>	<b>Adjusted</b>	
<b>Cyc Type</b>	<b>Rsn</b>	<b>Period</b>	<b>Dollars</b>	<b>Dollars</b>	<b>Dollars</b>	<b>From</b>	<b>To</b>
071	REG	37	0.00	3,000.00	-3,000.00	5227-0001	9929-0607 *
072	REG	37	0.00	3,000.00	-3,000.00	5227-0001	9929-0607 *
081	REG	37	0.00	3,000.00	-3,000.00	5227-0001	9929-0607 *
082	REG	37	0.00	3,000.00	-3,000.00	5227-0001	9929-0607 *

## Accrual Scenario #3

- Permanent AP position #33352 is vacant
- Position is allocated at \$5,000/month

What are the accruals and where do they go?

### NO EXPENSE – Scenario #3

DEPPS System Accrual Detail							
Position	033352		Accruals as of:			07/01/07	
Name	Cougar, Ima						
Pay Cyc	Earn Type	Retro Rsn	Alloc Dollars	Expenses Dollars	Accrual Dollars	Adjusted From	Adjusted To
071	REG	01	2,500.00	0.00	2,500.00	5227-0001	9329-0607 *
072	REG	01	2,500.00	0.00	2,500.00	5227-0001	9329-0607 *
081	REG	01	2,500.00	0.00	2,500.00	5227-0001	9329-0607 *
082	REG	01	2,500.00	0.00	2,500.00	5227-0001	9329-0607 *

## Reserve Account Structure

- “Built” from operating account
- Fund/Subfund/Program same as operating acct.
- First two digits of budget determined by kind of transaction (central or area?)
- Last two digits of budget are area number of operating account
- First two digits of project are same as operating program
- Last two digits of project are numerical value of operating subprogram

# Allocation Adjustments

An allocation adjustment is a change in the allocation for a position assigned to funds included in the permanent budget level (PBL funds 001, 143, 148-02, 148-05, 148-06)

## Reclass Example

Step 1: Reclass Step Change takes from Step H to Step A. Central collects.

RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	<b>STEP F</b>	STEP G	STEP H
27	1876	1915	1964	2008	2053	<b>2102</b>	2153	2202
28	1976	2027	2072	2119	2169	<b>2222</b>	2272	2324
29	2027	2072	2119	2169	2222	2272	2324	2378
30	2072	2119	2169	2222	2272	2324	2378	2433
31	2119	2169	2222	2272	2324	2378	2433	2492

Step 2: Position Reclass takes from old A to Step A at the new Range. Area pays.

Step 3: Reclass Step Change takes to Step G at new Range. Central pays.

Reclass Example-Base Screen

**DEPPS System**  
**Base Adjustment Detail**

**Position** 55555      **Reclass Step Change**      **Adjustments as of:** 07/01/07  
**Name** Cougar, Ima      **-\$348 times 12 months**

Pay Earn	Change	Adj.	Adjusted	Adjusted			
Cyc Type	Rsn	Date	Prev Alloc	Amount	New Alloc	From	To
071 REG		7/1/2008		27,888.00	27,888.00	9849-0607	5227-0001
071 REG	422	8/1/2007	27,888.00	(4,176.00)	23,712.00	9249-0607	5227-0001
071 REG	405	8/1/2007	23,712.00	1,716.00	25,428.00	9949-0607	5227-0001
071 REG	422	8/1/2007	25,428.00	3,768.00	29,196.00	9249-0607	5227-0001

**Position Reclassification**

Reclass Example-Base Screen

**DEPPS System**  
**Base Adjustment Detail**

**Position** 55555      **Reclass Step Change**      **Adjustments as of:** 07/01/07  
**Name** Cougar, Ima      **-\$348 times 12 months**

Pay Earn	Change	Adj.	Adjusted	Adjusted			
Cyc Type	Rsn	Date	Prev Alloc	Amount	New Alloc	From	To
071 REG		7/1/2008		27,888.00	27,888.00	9849-0607	5227-0001
071 REG	422	8/1/2007	27,888.00	(4,176.00)	23,712.00	9249-0607	5227-0001
071 REG	405	8/1/2007	23,712.00	1,716.00	25,428.00	9949-0607	5227-0001
071 REG	422	8/1/2007	25,428.00	3,768.00	29,196.00	9249-0607	5227-0001

**Position Reclassification**

# Tracking Accruals and Allocation Adjustments

## DEPPS Downloads

- Sign on to DEPPS through Entire Connection
- Type in DDL at prompt
- Press F10 to get to 2<sup>nd</sup> page
- Select the Accrual Reporting Download Set or Allocation Adjustment Download Set
- Press Enter
- Enter an area number
- Press F7 to download
- Click on [ ] in section “Files in” and then select a path for download. Name the file with up to 8 characters and save as a .DBF file.
- Open in Excel or import into database program
- See page 16 or page 17 for field definitions

## BALANCES Downloads

- Create a .txt file with account numbers to upload (BudgetProject; or Budget0000 brings all projects for that budget)
- Sign onto Balances through Entire Connection
- Press F4 for download menu
- At prompt type %+ and enter
- At prompt, select 17 and enter
- At Report number prompt, enter 03. Leave Selection Criteria blank. For Fiscal Year, enter desired fiscal year. For Date Criteria, enter the desired dates. For Maximum Records to download prompt enter 9999. For Output to PC File prompt enter P.
- Click on [ ] in “Files in” section and select a path for download. Name the file with up to 8 characters and save as a DBF file.
- Select the text file in Step 1 to upload. Click on Upload. It might be necessary to press enter occasionally to allow download to progress.
- Open the DBF file in Excel or import into dataset program.



## Financial Data Warehouse (Business Objects)

The Financial Data Warehouse is a powerful tool and you can use predesigned reports, adapt these reports, or create your own reports for your needs.

In Business Objects go to File, then Import from Repository. Under the Browse section, click on Categories. Click on Corporate Categories, then click on the Financial folder. The list of corporate documents is retrieved. Click on the Name column to sort by name. Double click on the file named, "Area Reserve Allocation Activity". Save and run this file. Below is an excerpt from Area Reserve Allocation Activity by Account.

Area Reserve Allocation Activity by Account								Refreshed: 4/7/2008
07/01/2007 through 03/31/2008								FY: 2008
9429-0603 GENERAL AREA RESERVE - AREA 29								
Position	Description	Prog	Fund	Obj	Date	Reference	Document	Amount
	2006-07 BALANCE FORWARD	06C	00101	19	07/24/2007	E000001		14,643.44
	OTHER TRANSACTIONS						Position Total:	14,643.44
	GENERAL AREA RESERVE - AREA 29						Account Total:	14,643.44
9429-0707 GENERAL AREA RESERVE - AREA 29								
Position	Description	Prog	Fund	Obj	Date	Reference	Document	Amount
	2006-07 BALANCE FORWARD	07G	00101	19	07/24/2007	E000001		1,150.00
	2006-07 BALANCE FORWARD		00113	19	07/24/2007	E000001		-299.00
	2006-07 BALANCE FORWARD		00115	19	07/24/2007	E000001		-299.00
	2006-07 BALANCE FORWARD		00117	19	07/24/2007	E000001		-298.00
	001-17 TRANSFER TO 001-01		00101	19	12/14/2007	E669459		-298.00
	001-17 TRANSFER TO 001-01		00117	19	12/14/2007	E669459		298.00
	OTHER TRANSACTIONS						Position Total:	254.00
	GENERAL AREA RESERVE - AREA 29						Account Total:	254.00
9429-0808 GENERAL AREA RESERVE - AREA 29								
Position	Description	Prog	Fund	Obj	Date	Reference	Document	Amount
	FY08 ALLOCATION PLAN	08H	00113	00	09/21/2007	E606308		3,984.00
	OTHER TRANSACTIONS						Position Total:	3,984.00
	GENERAL AREA RESERVE - AREA 29						Account Total:	3,984.00
9929-0603 AREA RESERVE ACCOUNT								
Position	Description	Prog	Fund	Obj	Date	Reference	Document	Amount
037588	ACCRUAL XFER 684636	06C	00101	00	11/19/2007	111507	E660980	1,537.41
	ACCRUAL XFER 684636		00101	00	11/19/2007	111507	E660980	1,537.41
	ACCRUAL XFER 684636		00101	00	11/19/2007	111507	E660980	1,537.41
	ACCRUAL XFER 684636		00101	00	11/19/2007	111507	E660980	1,118.12
	NO EXPENSE		00101	00	11/19/2007	111507	E660980	1,537.41
	NO EXPENSE		00101	00	11/30/2007	113007	E660983	1,537.41

## Salary Accrual and Allocation Adjustment Policy and Procedures

This policy and the related procedures apply to all positions assigned to funds included in the permanent budget level (PBL). They provide for pooling of turnover costs, leave payouts and periodic increments (PID's) for most types of positions, while providing flexibility for deans to manage salary allocations for those instructional positions where staffing options are most variable.

### A. Accruals

Definition: An accrual is the difference between the allocation and the expense for a position. A positive accrual represents an allocation greater than expense, a negative accrual represents an expense greater than allocation. "Accruals" refers to positive accruals except where noted.

1. Areas retain all accruals from faculty and graduate assistant positions in WSU programs 05 (libraries) and 06 (instruction).
2. Ordinarily, accruals from new positions created with funds allocated from central sources will be captured centrally until the position is first filled.
3. Accruals resulting from transfers to grants (Programs 11A-14Y) are returned to the area.
4. Accruals resulting from employees on approved professional leave or approved leave without pay of more than 10 working days are returned to areas.
5. Negative accruals, including those from temporary positions, interact with area reserves.
6. Accruals produced when employees appointed to a permanent position are temporarily assigned to a University service appointment (Ombudsman, Senate Executive Secretary, etc.) are returned to areas.
7. Sick leave and annual leave payouts are paid from a central pool for PBL funded positions, except for areas that manage their own salary accrual pools (e.g. WSU Extension, Agricultural Research, etc.) and faculty and graduate assistant positions funded in WSU programs 05 and 06. For abolished positions, areas will pay for sick and annual leave payouts net of any accruals captured centrally after the position was last vacated.
8. Accruals for vacant classified, A\P and non-instructional faculty positions will be captured centrally for the first four months. Subsequent accruals will be returned to the area upon request. These requests will be honored at any time during the fiscal year. Accruals will be returned from the beginning of the fifth month of vacancy, or July 1st, whichever is later.
9. Accruals from phased retirement agreements will be retained by areas for those positions that normally accrue to central, if the accruals are requested in advance. Upon full retirement, vacancy accruals will be collected centrally up to the equivalent of four months of the full-time position value. Areas may then request subsequent accruals. If the position is abolished, the area will pay the difference between the leave payouts and any central accruals collected after vacancy.
10. Accruals from all other positions revert to a central pool.

## **B. Allocation Adjustments**

Definition: Allocation adjustments are changes in the allocation for positions assigned to funds included in the permanent budget level (PBL).

1. Allocation adjustments interact with area reserves, unless funding is specifically provided from central sources (ex: a legislatively authorized salary increase).
2. Classified staff transactions that result in a change to funded FTE shall be calculated at the mid-step of the position.
3. Reclassifications between classified job classes are calculated at the lowest step (generally step "A").
4. Periodic Increments (PID's) and Staff Turnover adjustments interact with a central reserve account.

All parts of the institution will adhere to the WSU Accruals and Allocation Adjustment Policy. Because of the unique budget systems of WSU Extension and Agricultural Research, these units have been temporarily exempted from certain portions of the policy.

The policy applies to each campus independently. Any funds captured centrally from the budgets of WSU Tri-Cities or WSU Vancouver will be expended for the benefit of the branch generating those funds. Similarly, leave buyouts and individual campus expenses will be paid by the appropriate campus pool.

*Approved by Executive Council on March 24, 2005*

*Reinstated by Senior Staff on October 8, 2008*

## WSU ACCRUAL AND ALLOCATION ADJUSTMENT PROCEDURES

The following procedures are to be applied in conjunction with the WSU Accrual and Allocation Adjustment Policy. The term “classified staff” in these procedures is used for both civil service and collective bargaining unit employees and positions.

### A. Accrual Interaction

Area accruals interact with the relative area reserve account (99XX-XXXX). An area may choose to have accruals transferred to a departmental reserve account (XXXX-8889). To exercise this option the area can contact the Budget Office.

### B. Leave Without Pay (LWOP) and Family Medical Leave (FML)

**1. Leave Without Pay:** The accruals policy allows for accruals to be returned to the area if the leave without pay is approved for more than 10 working days. Approval for leave without pay is granted at the department/area level. To request return of accruals, the area finance officer needs to submit a memo to the Budget Office prior to the leave period. The memo should include the employee name and position number, the leave dates and a brief explanation of the leave granted.

**2. Family Medical Leave:** HRS designates absences that meet the criteria of family medical leave. HRS will send copies of family medical leave e-mails to the Budget Office which will use them to initiate the return of any related accruals.

### C. Vacant Positions

To reduce the loss of vacant position accruals, temporary replacements can be appointed to vacant positions, subject to WSU employment rules. The temporary appointee must perform the duties for which the position was allocated.

Accruals from vacant positions will not be returned to pay for time-slip replacements.

Accruals for vacant classified, AP and non-instructional faculty positions will be captured centrally for the first four months. Subsequent vacancy accruals will be returned to the area upon request.

### D. Exceptions to Accrual Policy

Accruals which flow to central reserves are pooled and used for the benefit of all areas to fund PID's, turnover transactions, leave payouts, fringe benefit overruns, etc. As such, exceptions to the policy are generally not permitted. However, if unusual circumstances exist, an area may request a policy exception. To make such a request, a detailed memo should be sent to the Budget Director explaining the circumstances and desired action. The area will be notified as to the approval or rejection of the request.

### E. Allocation Adjustments

Position changes that affect the amount allocated to operating accounts for the current fiscal year generate allocation adjustments. Generally, position changes that generate allocation adjustments also generate base adjustments. Base adjustments reflect the amount needed for a full fiscal year to fund the change.

Allocation and base adjustments that interact with area reserves do not change an area's total current year funding or PBL; they shift the allocation dollars between the position's operating accounts and the area reserves. If an area wishes to fund the change from a different account, they may submit a Journal Voucher request to effect the change.

Allocation and base adjustments that interact with central reserves **do** change an area's total current year funding and PBL. Centrally funded base adjustments (and any requested changes to permanent funding levels within an area) are periodically reconciled with Position Control and the new base reported to areas.

**1.** Classified Staff transactions that result in a change to funded FTE are calculated and interact with area reserves at the mid-step (usually step "F") of the position. Any step adjustments needed to bring the position value to or from the mid-step interact with central reserves. These changes include:

- Creating new positions
- Abolishing positions
- Changing a position to or from temporary status
- Moving to or from PBL funds
- Basis of service changes
- Increases or decreases in allocation percent
- Moving a position from one area to another

**2.** Reclassifications between classified job classes are calculated from range to range at the lowest step (usually step "A").

Example: A position is reclassified from range 28H to 31G (5% increase per WSU Policy). Values used are from the Department of Personnel General Service Salary Schedule, effective 9/1/08.

Beginning position value (28H)	\$2,370	
Adjustment to lowest step (28A)	\$2,016	> Change of -\$354/month interacts with central reserve
Reclassify to new range (31A)	\$2,161	> Change of \$145/month interacts with area reserve
Adjustment to new step (31G)	\$2,482	> Change of \$321/month interacts with central reserve

Note: In many cases the charge to the area will exceed the initial increase in salary (in the example, the area charge is \$145/month, but the actual salary increase is only \$112/month). This additional charge helps offset future periodic increment costs which are funded from central reserves.

Reclassifications from classified to AP or faculty job classes are calculated from the step of the current or most recent incumbent to the new salary. Reclassifications to classified status from AP or faculty are calculated from the current salary to the mid-step of the new classified range.

**3.** Periodic Increments and Staff Turnover Adjustments for Classified Staff are generated automatically by the WSU HEPPS system and are triggered by changes in an employee's appointment. These changes interact with central reserve accounts. Accelerated movement up the steps within a range for purposes of retention, etc., will be charged to the area reserve.

## **F. Retroactive Actions**

Retroactive transactions of any kind are discouraged by WSU. Position and Expense Assignment Actions with effective dates more than 30 working days prior to the date received by the Budget Office may be rejected. Retroactive actions may not be used to circumvent the Accrual and Allocation Adjustment Policy. The Budget Office will make adjustments as necessary to apply the policy to retroactive transactions.

Revised 11/14/08

## Reserve/Control Accounts

(XX denotes area number)

Budget	Area	Central
<b>99XX</b>	Main area reserve budget. All area funded position transactions interact with this budget.	
<b>93XX</b>		Central accrual reserve. Accruals directed to central per policy come to accounts in this budget. Centrally paid sick/annual leave payouts are paid from here.
<b>92XX</b>		Periodic increments (PIDS) are paid from this budget as well as staff turnover adjustments.
<b>94XX</b>	Another area reserve. No position transactions happen here. Good as a holding account for "one-time" area allocations until used.	
<b>98XX</b>	Used for initial allocations and allocations for mass salary increases. Spends into the red at allocation time. Cleared by central funding during initial and salary increase reconciliations	
<b>DDDD-8889</b>	Area departmental reserve, where DDDD is the operating budget number. Originally set up as an accrual reserve, some areas set these up for all area(dept)-funded position allocation adjustments, as well.	

Accrual Download Format					
FIELD	POSITION	CONTENTS	DIVIDE BY	FIELD TYPE	FIELD LENGTH
F0	1-6	Fiscal Year Begin Date		C	6
F1	7-12	Download Month End Date		C	6
F2	13-18	Position Number		C	6
F3	19	Accrual Type Code		C	1
F4	20-21	Accrual Flow (TA = To Area)		C	2
F5	22-23	Accrual Reason Code		C	2
F6	24-43	Accrual Reason Description		C	20
F7	44-53	Accrual Amount	100	N	10
F8	54-63	Accrual Staff Months	10,000	N	10
F9	64-68	Operating Account Fund/Subfund		C	5
F10	69-71	Operating Account Program		C	3
F11	72	Operating Account SubProgram		C	1
F12	73-81	Operating Account Budget/Project		C	9
F13	82-86	Reserve Account Fund/Subfund		C	5
F14	87-88	Reserve Account Program		C	2
F15	89	Reserve Account Subprogram		C	1
F16	90-98	Reserve Account Budget/Project		C	9
F17	99-100	Accrual Expenditure Object		C	2
F18	101-103	Earning Type (REG, RGA)		C	3
F19	104	Employment Type (C = Classified)		C	1
F20	105-114	Allocation Amount	100	N	10
F21	115-124	Allocation Staff Months	10,000	N	10
F22	125-130	Pay Cycle Processed Begin Date		C	6
F23	131-136	Pay Cycle Processed End Date		C	6
F24	137-146	Expense Amount	100	N	10
F25	147-156	Expense Staff Months	10,000	N	10
F26	157-162	Retroactive Pay Period End Date		C	6
F27	163-182	Flow of Accrual		C	20
F28	183-185	Area		N	3
F29	186-189	Operating Account Budget		C	4
F30	190-193	Operating Account Project		C	4
F31	194	Check Digit		C	1
F32	195-197	Fund		C	3
F33	198-199	SubFund		C	2
F34	200-219	Position Identifier (Name)		C	20



Allocation Adjustment Download Format					
FIELD	POSITION	CONTENTS	DIVIDE BY	FIELD TYPE	FIELD LENGTH
F0	1-6	Month Begin Date		C	6
F1	7-12	Month End Date		C	6
F2	13-19	Position Number		C	7
F3	20	Allocation Type		C	1
F4	21-22	Allocation Flow (TA = To Area)		C	2
F5	23-25	Action Code		C	3
F6	26-45	Action Code Description		C	20
F7	46-55	Allocation Adjustment	100	N	10
F8	56-65	Staff Months (blank)		N	10
F9	66-70	Operating Account Fund/Subfund		C	5
F10	71-72	Operating Account Program		C	2
F11	73	Operating Account Subprogram		C	1
F12	74-82	Operating Account Budget/Project		C	9
F13	83-87	Reserve Account Fund/Subfund		C	5
F14	88-89	Reserve Account Program		C	2
F15	90	Reserve Account Subprogram		C	1
F16	91-99	Reserve Account Budget/Project		C	9
F17	100-101	Allocation Object		C	2
F18	102-104	Earnings Type (REG, RGA)		C	3
F19	105	Employment Type (C = Classified)		C	1
F20	106-115	Allocation Before Change	100	N	10
F21	116-125	Staff Months Before Change	10,000	N	10
F22	126-131	Transaction Effective Date		C	6
F23	132-137	Pay Period Transaction Processed		C	6
F24	138-147	Allocation After Change	100	N	10
F25	148-157	Staff Months After Change	10,000	N	10
F26	158-163	Posting Date of Transaction		C	6
F27	164-183	Allocation Flow Description		C	20
F28	184-185	Allocation Indicator (blank)		C	2
F29	186-188	Area		N	3
F30	189-192	Operating Account Budget		C	4
F31	193-196	Operating Account Project		C	4
F32	197	Check Digit		C	1
F33	198-200	Fund		C	3
F34	201-202	Subfund		C	2
F35	203-222	Position Identifier (Name)		C	20

## Position Action Code Table

Action Code	Action Description
101	Add Position
102	Change position begin date
103	Change position end date
105	Title code change
115	Abolish position
120	Position % change
121	Basis service change
122	Base value change
124	Retirement/Reemployment
125	Assignment Add/Change
126	Expense Assignment Add/Change
154	Periodic increment Adjustment (Manual)
157	Staff Turnover (Manual)
199	Position Type Change
200	Descriptive information
201	Reactivate abolished position
401	Add skeletal position
402	Fill skeletal position
405	Reclassification
422	Reclass step change
510	Faculty promotion
511	Faculty/Exempt salary increase
512	Faculty promotion (Area)
514	Classified salary Increase
515	Grad salary increase
854	Periodic increment
857	Staff turnover
999	Manual adjustment